

CLAUSE I-64 – INSPECTION OF SERVICES - COST REIMBURSEMENT (August 2002)

- (a) Definitions. “Services” as used in this clause, includes services performed, workmanship, and material furnished or utilized in the performance of services.
- (b) The Subcontractor shall provide and maintain an inspection system acceptable to SURA covering the services under this subcontract. Complete records of all inspection work performed by the Subcontractor shall be maintained and made available to SURA during subcontract performance and for as long afterwards as the subcontract requires.
- (c) SURA has the right to inspect and test all services called for by the subcontract, to the extent practicable at all times and places during the term of the subcontract. SURA shall perform inspections and tests in a manner that will not unduly delay the work.
- (d) If any of the services performed do not conform with subcontract requirements, SURA may require the Subcontractor to perform the services again in conformity with subcontract requirements for no additional fee. When the defects in services cannot be corrected by reperformance, SURA may (1) require the Subcontractor to take necessary action to ensure that future performance conforms to subcontract requirements and (2) reduce any fee payable under the subcontract to reflect the reduced value of the services performed.
- (e) If the Subcontractor fails to promptly perform the services again or to take the necessary action to ensure future performance in conformity with subcontract requirements, SURA may (1) by subcontract or otherwise, perform the services and reduce any fee payable by an amount that is equitable under the circumstances or (2) terminate the subcontract for default.